OCTOBER 30, 1967

CHILE'S GROWING MARKET

AGRICULTURAL POLICIES
IN THE WESTERN HEMISPHERE

U.S. FOOD PROMOTION
IN GERMANY AND JAPAN

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Visitors to ANUGA food fair in Cologne, Germany, try shrimp from Mississippi—one of 12 States participating in this giant fair. See page 9 for a report on the U.S. at ANUGA.

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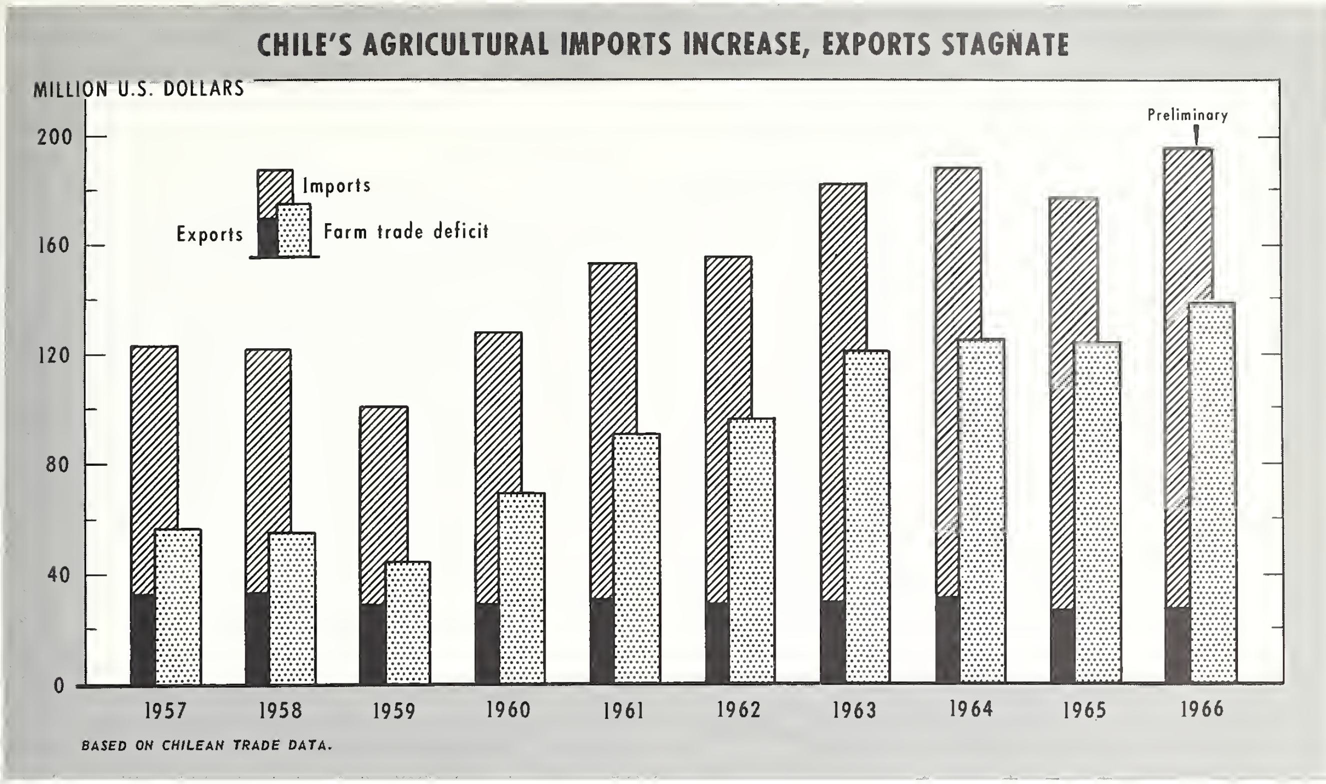


U.S. Shares in Chile's Growing Agricultural Market

BY WALDO S. ROWAN
U.S. Agricultural Attaché, Santiago

As Chile's agricultural imports have expanded over the past decade so have its purchases from the United States, and in 1966 that country was the third largest South American market for U.S. farm products.

The aggregate value of U.S. agricultural exports to Chile in 1966 totaled $37.6 million, excluding donations for charity and relief, with $25.3 million representing sales for dollars. Only other South American countries to take more than this were Brazil and Venezuela.

The $25.3 million in U.S. dollar sales of farm products to Chile last year represented a gain of $19.2 million—or 315 percent—from the $6.1 million of 1963. During this same period, total U.S. farm product exports to Chile rose $20.9 million, or 122 percent.

The U.S. share of Chile's dollar market for agricultural products in 1966, at 15.4 percent, was possibly the highest on record and up sharply from the 4.2 percent of 1963. When both P.L. 480 and dollar sales are considered, the increase in U.S. market share was from a low of 11.4 percent in 1963 to 22.9 percent in 1966.

Wheat sales pass $22 million

Wheat (including wheat flour) is the most important U.S. agricultural export to Chile, accounting for over half of sales in 1966. Total value of U.S. wheat exports to Chile last year was $22.4 million, with $15.0 million for dollars: this latter figure represents 60 percent of all U.S. farm product sales for dollars in Chile and is a marked improvement from the 7-year low of $400,000 in 1963.

Increasing demand and declining wheat production since 1963-64 have led to a sharp rise in Chile's total wheat imports, from 161,000 metric tons in 1963 to 418,000 in 1966. Indications are that total wheat imports during 1967 will climb even further, possibly to 450,000-500,000 tons.

The country has, however, launched a program to reverse this trend. The program calls for increased wheat plantings, improved credit facilities, and use of better varieties, more fertilizer, and better cultural practices. Higher wheat prices have also been promised to encourage farmers to plant more wheat and follow recommended practices.

Tobacco a consistent seller

Generally, the second most important U.S. agricultural export to Chile is tobacco, with a value fluctuating between $800,000 in 1960 and $3.5 million in 1966. Sales for dollars have also been significant, ranging from a low of $300,000 in 1961 to $2.7 million in 1965.

Chile's tobacco imports from all sources almost doubled between 1963 and 1966, while imports from the United States more than doubled. This gain in U.S. market share is the result of a growing demand for U.S.-type cigarettes, coupled with Chile's inability to produce sufficient quantities of U.S.-type tobacco to meet the demand.

Growth in dairy products until 1966

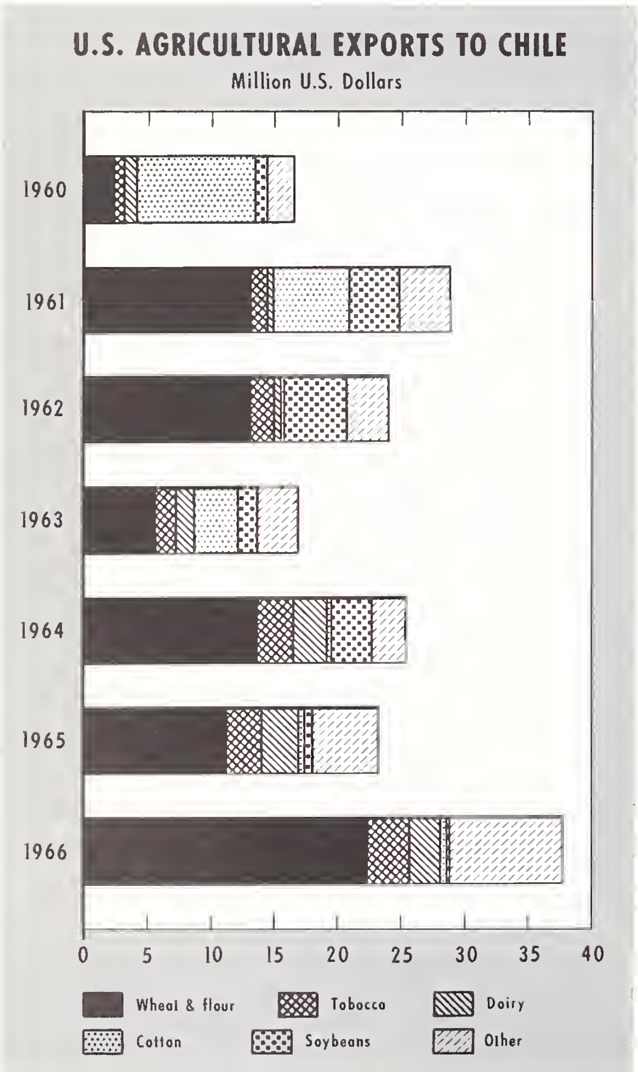
Dairy products as a group have been the United States third biggest agricultural export to Chile in recent years, with a sales value increasing from around $500,000 in 1960 to over $2½ million in 1965. The U.S. dairy shortage of 1966, however, caused sales that year to fall.

Rice, on the other hand, has had a modest but growing cash market in Chile. Value of sales has increased rather steadily from $700,000 in 1960 to $1.8 million in 1966, and all of this has been for dollars.

Mixed results for other products

Chile was once an important market for U.S. cotton. But because of trade preferences to LAFTA members, the value of U.S. cotton sales to Chile declined from $9.6 million ($2.4 million under P.L. 480 and $7.2 million for dollars) in 1960 to around $400,000 in 1966. Special efforts are being made to get U.S. cotton back into the Chilean market, but the success of such efforts has yet to be seen. Import duties and fees on cotton from non-LAFTA countries amount to about 6 percent of the value of the cotton, compared with free entry privileges for LAFTA members.

For U.S. soybean oil, Chile has been a somewhat irregular market, with the value of imports ranging from $5.1 million in 1962 to only $68,000 in 1966. This decline in U.S. soybean oil sales has been largely the result of Chile's efforts to become self-sufficient in edible oil through substantial increases in sunflower and rapeseed production. Production of refined edible oil in Chile increased from 22,000 tons in 1962 to over 51,000 in 1966. However, the 1967 production dropped back to an estimated 37,000 tons, which means that import requirements will increase substantially.



As a result of competition for land, it appears unlikely that Chile will become self-sufficient in edible oil production, and import requirements may fluctuate between 10,000 and 20,000 tons during the next few years.

There is a potential market in Chile for sizable sales of U.S. breeding stock. Although the meatier-type European dairy breeds are generally preferred in Chile because of their dual-purpose adaptability, there is increasing interest in American Holstein-Friesian dairy cattle—especially in Chile's central valley—because of their more efficient milk production. Also, Chile's program to develop a beef cattle industry in the Province of Magallanes, which is free of foot-and-mouth disease, has increased interest in disease-free, high-quality breeding stock from the United States. Efforts are being made to promote the sale of U.S. beef cattle, dairy cattle, and swine in Chile, and present indications are that these efforts will be successful.

Large agricultural imports may continue

Indications are that Chile's agricultural import requirements will continue to increase for at least the next few years, in spite of efforts to increase agricultural production. This has certainly been the trend for the past 30 years. The value of imported agricultural products has risen from $14 million in 1936 to $167 million in 1966, and on a value basis imports have exceeded exports since 1946; the net agricultural trade deficit reached an alltime high of $139.4 million in 1966.

Although the Government of Chile is making considerable efforts to increase agricultural production through various approaches, accomplishments to date have been slow. To encourage greater investments in agriculture and consequently increase agricultural production, the government has given repeated assurances that efficient farmers have nothing to fear from expropriation under agrarian reform and that 1967-68 prices will be at least as favorable in real terms as in 1966, when farm prices were at their highest level on record.

The government is fully cognizant of the stark reality that Chile is not producing enough food to feed its people and that its resources to pay for imports are limited and subject to the hazards of international raw material price fluctuations. In this respect the price of copper is all-important to Chile. Increases in copper prices were principally responsible for the improvement in balance of payments from a deficit of $37 million in 1964 to a surplus of $136 million in 1966. However, the recent decrease in copper prices has again put Chile in a difficult balance-of-payments position. The Central Bank balance-of-payments projection for 1967 has deteriorated from a January forecast of a $50-million surplus to the possibility of a sizable deficit for 1967.

For a longer term outlook, earnings in foreign exchange from copper exports are expected to increase substantially over the next few years as a result of Chile's copper expansion program. Furthermore, the Chilean economy has continued to move ahead on other fronts. The government has outlined a policy to encourage foreign investments, and large investments are expected to begin this year in mines, industry, and utilities. Nevertheless, the key to Chile's economic progress and stability lies in its ability to develop a viable, efficient, and productive agriculture.

Western Hemisphere Countries Shifting Farm Policies

By CHARLES R. DAVENPORT
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In most countries of the Western Hemisphere (excluding the United States and Puerto Rico), national economic policies have evolved rapidly in the 1960's. These fast-moving changes have stemmed from a growing political and economic awakening and the consequent striving for a better life for more people.

Present policies reflect intense pressures and the development of new and reoriented approaches to the achievement of emerging and changing goals.

The five basic economic goals to which the policies relate are—

- High rate of economic growth;
- Equitable distribution of rising incomes;
- Reasonable price stability;
- Full employment;
- Viable balance-of-payments position.

Agriculture, key to policy changes

Evident in the thrust and focus of present policies is the Western Hemisphere's heavy dependence on agriculture. The hemisphere, which comprises a quarter of the earth's surface, has a population of 270 million, half of which is rural. Overall, the farm sector supplies about one-fifth of the gross national product and one-half of the export earnings.

Three-fourths of the hemisphere's sharply increasing population lives in tropical countries. Rapid urbanization, obsolete farming methods, inadequate food supplies, and chronic balance-of-payment problems characterize most of this area.

Changes in national policies related to the five basic economic goals have resulted from unparalleled international cooperation by Western Hemisphere countries and, in turn, have fostered such cooperation. This interaction is shifting the policy frontier from parochial nationalism to more enlightened multi-nationalism for broader self-help with common problems.

Vortex of this new era of Latin American international cooperation is the unprecedented Alliance for Progress program of the Organization of American States. This program, aimed at social and economic development, was entered into in 1961 by 19 Latin American nations and the United States. Supporting regional development efforts foster common markets to increase economic output and trade. Global cooperative efforts include commodity agreements and various United Nations programs.

Economic and agricultural development planning has become institutionalized in practically every country of the hemisphere in the 1960's. Such plans have been addressed to pressing problems and have provided more effective vehicles for new and changed goals, policies, and programs.

The common agricultural goals that correspond to the five basic economic goals are—

- Economic growth of about 5 percent annually;
- Fair remunerative returns for farm products, and improved land tenure;
- Stabilizing of farmer and consumer prices;
- Reduction of rural unemployment and underemployment;
- Increased and diversified exports at more stable levels, along with reduced imports and improved terms-of-trade.

Agricultural policies to achieve goals range from the state operation of Communist Cuba . . . to the mixed economies of Mexico and Bolivia . . . to the largely private enterprise system of Canada. The manifold programs to implement these policies are generally focused on production, marketing, and trade.

Production and marketing programs

A general aim of agricultural programs in most hemisphere countries has been to increase and diversify output in an updated farm structure.

Programs have stressed the growing need to expand agricultural production through technology, the opening of new lands, and the varying of crops. Often, these programs are also designed to cope with social and economic problems inherent in a traditional agrarian structure in need of reform. A growing trend toward urbanization and industrialization has created new problems—in supplying urban centers when transportation and marketing facilities are lacking and in coordinating national goals of agriculture and industry to meet overall economic goals of increased employment and income.

Price support programs have been introduced almost universally. And, in recent years, guaranteed minimum producer prices to insure adequate food supplies have been offered throughout Latin America. The prices, which sometimes are mandatory, are usually supported by government purchase and storage programs.

Monopolies for marketing principal export crops are important in price stabilization programs throughout the hemisphere; in Canada, Brazil, and Colombia, they are provided by both government and semiautonomous agencies. Government food agencies have been established in many countries. The effectiveness of price controls is often limited by inadequate storage and marketing facilities and subsidy costs.

Research, extension, and credit programs to stimulate improved agricultural technology have been emphasized in most countries during the past two decades. Along this line, Latin American agriculture receives substantial assistance from the United States and from international and private organizations. This assistance has been augmented and integrated under the program of the Alliance for Progress.

This program provides for a substantial increase in technical and financial assistance from the United States, the Inter-American Development Bank, and the International Bank for Reconstruction and Development. The Food and Agriculture Organization of the United Nations, other United Nations organizations, and such private organizations as the Rockefeller, Ford, and Kellogg foundations have contributed to improvements in agricultural research and education in Brazil, Chile, Colombia, Mexico, and other countries.

In Mexico, Bolivia, and Cuba, agrarian reforms have substantially modified institutional frameworks and landholding systems in highly populated rural areas. In most other Latin American countries, programs to provide for basic land and tax reforms have been formulated or initiated. These reforms and associated land development programs have been limited by financial and technical resources.

In Mexico, expansion of irrigation has contributed to a high rate of agricultural development during the past two decades. Irrigation is also important in plans to improve agriculture in Chile, Peru, and Venezuela.

Improved transportation has opened new land for settlement and development in Central America, Bolivia, Brazil, Colombia, Ecuador, Paraguay, and Peru.

Trade programs stress exports

Trade programs of Western Hemisphere countries have been influenced by the dependence of many of these countries on agricultural exports for exchange and fiscal revenues and on the growing demand for food imports. These programs emphasize export growth and diversification to maximize foreign exchange resources, protection for domestic industries through tariff and other restrictions, and the maintenance of food supplies for urban consumers.

Direct assistance for well-established exports, such as coffee, sugar, and grains, is usually provided by government or producer monopolies, with trade subject in varying degrees to taxes or subsidies. Principal Latin American exports—particularly coffee, sugar, and cotton—are often subject to taxes and to conversion of foreign exchange earnings at rates below those used for less important commodities.

The restrictive effects of tariffs on agricultural imports vary widely between countries and commodities. General tariff levels for Argentina, Canada, Ecuador, Peru, and Venezuela may be considered moderate, but rates of duty for many products are high in Brazil, Chile, Colombia, Mexico, and Central America.

Exchange and special quantitative controls are important in Canada, the Caribbean, Central America, Mexico, and South American countries, including Colombia, Ecuador, and Venezuela. However, the effects of import restrictions are often modified through the operations of state trading agencies; such agencies provide the principal method of import for many essential farm commodies entering Mexico, Colombia, and Chile.

Most hemisphere countries also share in multi-nation agreements on either tariffs or trade. Fourteen nations participate in the General Agreement for Tariffs and Trade (GATT); others have trade agreements with the United States. Many of these and other countries provide most-favored-nation treatment of duties and other trade benefits to non-GATT nations.

Hemisphere trade has also been influenced by plans for economic integration, which include the establishment of free trade areas in Latin America.

The Central American Common Market (CACM) was established by a treaty for economic integration between Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua in 1960. The treaty provided for a common market and completely free internal trade by 1970. By the end of 1966, over 90 percent of internal trade was free of duties; tobacco and wheat flour were important exceptions.

Common external tariffs had also been established for most agricultural products, including: Free entry of breeding animals, feedstuff, and most seeds and planting materials; a 10-percent ad valorem duty for other animals, with a specific duty of $7 per head for cattle, $4 for swine, and $1.50 for sheep.

Other representative agricultural tariffs, in dollars per pound and ad valorem rates in percent, are: Chilled and frozen meat, excluding poultry, $0.27 and 10; poultry meat, $0.36 and 15; butter, $0.27 and 10; lard, $0.23 and 10; beans and milled rice, $0.045 and 15; corn $0.036 and 10; fresh fruit, $0.136 and 25; cotton, $0.091 and 15; and soybean oil, $0.091 and 10. Duties are to be equalized for other agricultural commodities, including tobacco and powdered skim milk, by April 1969, with wheat, wheat flour, and tallow subject to later action.

The Latin American Free Trade Association (LAFTA), established in 1960, was a treaty for economic cooperation between Mexico, Argentina, Brazil, Chile, Paraguay, Peru, and Uruguay; memberships were granted later to Colombia, Ecuador, and Venezuela. LAFTA's original aim was to bring about reciprocal reductions of duties and other restrictions to achieve free trade between member countries over 12 years. However, at the meeting of 20 chiefs of state of the Organization of American States in April 1967 it was agreed that by 1985 intra-LAFTA trade would be free of duties and restrictions and a common external tariff achieved. That meeting also resulted in an agreement to work towards one Latin American Common Market (LACM).

Temporary revocable reductions in tariffs and other trade restrictions among LAFTA countries have been negotiated bilaterally each year under National Schedules with concessions by individual countries granted on a multilateral basis to all members. Current estimates indicate that intra-LAFTA tariffs have been reduced to about 50 percent of the level applicable to nonregional imports, with significant preferences granted on some member countries' agricultural products (including grains and grain products, fruits and vgetables, fats and oils, and dairy products).

In 1964, members of LAFTA also negotiated the first permanent common list of commodities of each country to be progressively freed of all restrictions by the target year 1973. Agricultural commodities affected included: Breeding animals; selected variety meats; pulses for seed; oats; bananas; green coffee; brazil and cashew nuts; vegetable seeds; and crude palm, tung, and fish oils.

In 1966, Antigua, Barbados, and Guyana joined to form the Caribbean Common Market (CARIFTA), with a limited implementation to date. Currently, plans are underway for the formation of a free trade area of the 13 English-speaking states of the former British West Indies (including Guyana and British Honduras). Formal agreement is expected this year and operations by mid-1968.

Other cooperative arrangements in hemisphere trade include the International Wheat Agreement, the International Sugar Agreement, and the International Coffee Agreement. The ICA includes nearly all coffee producers and has maintained relatively stable world prices for the hemisphere's principal export product in recent years.

Policies considered in this article are discussed country by country in detail in Agricultural Policies in the Western Hemisphere, *FAER 36, to be released soon by the Economic Research Service.*

USSR Acts To Improve Meat and Dairy Procurement and Processing

By JEROME A. LEVINE
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Economic Research Service

In a recent decree, the Soviet Union criticized the lagging performance of the procurement and processing enterprises of the state meat and dairy industry—and outlined corrective measures to be taken.

State procurement organizations were criticized for failing to maintain an even flow of deliveries of livestock and milk for processing. Processing industries were faulted for not fulfilling plans to build meat and dairy plants; in many instances, capital allocated for these specific purposes has not been fully used.

The decision of the USSR Council of Ministers to accelerate the development of the meat and dairy industry should enable fuller utilization of raw materials for production of sausages, canned milk, and cheese—all emphasized in the decree.

Production exceeds goals

The decree reflects growing concern over the inability of the industry to cope with rapidly expanding output of raw materials. A serious disproportion has developed between production capacities and raw materials distribution. Despite rapidly increasing farm sales of meat and milk products, the variety of products available to consumers is still limited and the quantity unpredictable. Poor organization and inadequate capacity of slaughterhouses and milk processing plants have been the causes of frequent complaints. Delays, leading to deterioration of animal condition and milk spoilage or waste, have kept product quality poor.

Since the March 1965 Plenum of the CPSU Central Committee, there has been a marked increase in USSR total agricultural output, particularly in the livestock sector. For example, cattle numbers on January 1, 1967, were 11 percent greater than on January 1, 1965. During the same period, cows increased 6 percent, pigs 10 percent, and sheep 8 percent.

This overfulfillment in the agricultural production sector has made the failure of the processing sector to meet its requirements more glaring.

State production of meat and dairy products currently represents about 70 percent of total volume. The remainder is produced on small household plots of collective farmers and urban workers. To a considerable degree, private plot production is used for personal consumption; in 1966, it represented only 11 percent of total farm sales.

Although state procurement organizations have been criticized for unevenness of deliveries, there was a considerable increase in quantities of these products procured from farms between 1964 and 1966. Total live weight of cattle and poultry meat procured increased 23 percent, eggs 39 percent, and milk 28 percent. By the end of 1967, 1970 goals for quantities of these items procured will already be approached.

USSR OUTPUT OF PROCESSED LIVESTOCK PRODUCTS IN 1965 AND GOALS FOR 1970

Item	Output in 1965	Goals for 1970 Original	Goals for 1970 Revised
	Mil. metric tons	*Mil. metric tons*	*Mil. metric tons*
Meat production	4.8	5.9-6.2	6.6
Sausages	1.6	(1)	2.7
Dried and smoked sausages	(1)	(1)	(2)
Poultry Meat [3]	.7	.9	1.7
Dairy products (whole milk equivalent)	11.5	16-17	18
Cheese	.308	.625-.675	(4)

[1] Not available. [2] 2.7 times 1965 output. [3] Includes both state and private output. [4] Increased over original goals, but quantity not reported.

Five new directives

To implement the new decree, several directives have been issued to the USSR Ministry of the Meat and Dairy Industry. The substance of each of five of these decrees is given below.

- To increase substantially by 1970 the output of state industrially processed meat and dairy products.
- To construct, reconstruct, and expand existing enterprises by 1970 in order to achieve planned production capacities for meat and dairy products and to achieve a higher level of mechanization and automation. (The construction of 44 new processing and cold storage facilities for meat and dairy products is called for in 1967.)
- To insure improved food quality and to increase, by 1970, output of delicatessen items 290 percent, frankfurter-type sausages 170 percent, salami-type sausages 270 percent, and poultry meat 240 percent. (According to M. G. Lushin, First Deputy of the USSR Ministry of the Meat and Dairy Industry, 1 million tons more beef and 1.5 million more tons of milk were processed industrially during the first 6 months of 1967 than in the same period last year.)
- To develop and equip the industry with new, highly productive equipment and to intensify research in production technology.
- To provide for adequate and more even flow of sales of livestock and milk for industrial use, improved feeding and finishing of livestock on farms, and increased broiler output.

Another recent government decree (reported in Izvestiya, July 29) allotted 1.5 billion rubles (about US$1.35 billion) for modernization of the meat and dairy industry during 1968-70.

Other improvements needed

However, even if the performance of the procurement and processing enterprises of the meat and dairy industry improves considerably, other problems still exist to prevent the Soviet consumer from enjoying a wide variety of high quality meat and dairy items. One problem is an inefficient distribution system. An example: The bulk of milk procurements is now used in the manufacture of butter, which is in surplus, while in many regions fresh milk cannot be obtained regularly through state channels.

Also, no matter what degree of industrial capacity is reached, a developed highway and transport system and greater cold storage capacity are needed before the Soviet consumer can be supplied with the desired products.

Germany's Swine Industry Gains in Efficiency and Productivity

By PAUL G. MINNEMAN
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Swine breeders in West Germany, largest pork producer in Europe and third largest in the world, have made remarkable progress in improving the efficiency of their operations and the productivity of their herds.

With production of some 25 million hogs annually, West Germany is surpassed in the Western world only by the United States and Brazil. Nearly every German farmer keeps some hogs, but almost two-thirds of total production last year was on the 19 percent of the farms having from 20 to 200. Only 6 percent came from farms with over 200.

The sale of hogs accounts for nearly one-fourth of all West German farm sales, compared with less than 10 percent in the United States, and is exceeded only by sales of milk. Pork is more important than beef in the country and accounts for about 60 percent of red meat consumption. Per capita intake of about 73 pounds annually is second in the world to Denmark's 75 pounds and far above U.S. consumption of 59 pounds. Although West Germany is still not quite self-sufficient in pork production, progress being made by the industry points in that direction.

The German Agricultural Society, with support from the Ministry of Agriculture, encourages careful record keeping and tests. Today, the herdbooks record about 30,000 purebred hogs, with the Improved Landrace breed accounting for 94 percent of the total. Breeders' Improvement Associations last year kept records on some 45,000 pigs as to size and health of litter. In addition, 13 Swine Progeny Testing Stations throughout the country tested the weight gain, feed consumption, and quality of carcass of nearly 15,000 animals.

Tests show good results

Practically all the sows in last year's breeding improvement tests produced two litters averaging 11.2 pigs per litter. Of these, 9.8 were raised, a mortality of only 12.8 percent. Twenty-two of the sows in the test produced 30 to 38 pigs per year, and 10 raised 30 or more. Five litters had 20 to 22 pigs each, of which 19 were raised.

In the progeny testing program, pigs are fed at the testing stations under carefully controlled conditions. A breeder who wishes to have his stock tested delivers to the station two male and two female pigs, each weighing about 50 pounds, from the litter to be tested. These are kept in individual pens and fed carefully from a weight of 88 pounds to 242 pounds (66 to 220 at some stations). All hogs of like age are fed twice a day on equal quantities of the same ration. A central heating plant maintains uniform temperature between 65 and 70 degrees. When the hogs weigh 242 pounds, they are sent to the slaughter plant, where exact measurements are made of carcass quality, with emphasis on lean meat, and yield of the most desirable cuts.

The progeny tests resulted in amazing improvements between 1958 and 1966. The age at marketing was reduced by 9 days, feed consumption per pound of gain lowered by 13 percent, carcasses lengthened by 8 percent, depth of the fat layer reduced, and meat area increased. The table below shows average results obtained with Improved Landrace pigs tested to the 242-pound weight. At the lighter weight of 220 pounds, the average age in the 1966 test was 182 days, and the average feed consumption per pound of gain was 3.11 pounds.

Hogs of 220-pound weight at progeny testing station.

Use of feedgrains increasing

Along with improvements in hog productivity have come increases in feedgrain use. More than 6 million metric tons or about 55 percent of all the grain fed in Germany each year goes to hogs. Of this, about 1 million tons valued at $55 million to $60 million is imported from the United States. German hog feeders also use an estimated 500,000 tons of U.S. soybean meal annually, imported both as beans and as meal, valued at about $45 million.

Potatoes have traditionally been an important ingredient in hog feed in Germany, but their use has been declining steadily. They now account for only about 15 percent of hog feed, compared with 30 percent in 1950. As potato feeding declined, grain feeding increased from 38 percent of total hog rations in 1950 to 45 percent at the present time. Nevertheless, nearly 10 million tons of potatoes or the equivalent of 2.4 million tons of grain are still fed to livestock, almost entirely to hogs.

Other important hog rations include mill feeds and skim milk, although use of milk is declining. Over 2 million tons of commercial mixed feeds were fed to hogs last year.

West German farmers get much higher prices for their hogs than do U.S. farmers, but they also pay much more for feed. Hog prices are protected by EEC import levies (duties) that are equivalent to about 40 percent ad valorem. Last year, the average farm price for live hogs was equivalent to 31 cents per pound (33.6 cents at terminal markets), compared with 20.6 cents in the United States. However, German feedgrain prices were 60 to 80 percent higher than U.S. prices.

RESULTS OF GERMAN PROGENY TESTING PROGRAM

Item	Unit	1958	1966
Age at 242-pound weight	Days	204.00	195.00
Daily gain during test	Pounds	1.58	1.67
Feed per pound of gain	do.	3.60	3.14
Length of carcass	Inches	37.30	40.30
Back fat thickness	do.	1.80	1.30
Back fat area	Sq. inches	7.30	4.40
Back loin meat area	do.	4.60	5.40
Ratio of meat to fat	Ratio	1:1.64	1:0.84

Clockwise from above: Dutch visitors stop for samples at the U.S. demonstration kitchen; Pennsylvania candies draw crowds; businessmen discuss products in trade lounge; visitors stroll by theme area of U.S. exhibit.

U.S. Foods Get Best Reception Yet at ANUGA Food Fair

More interested buyers than ever before was the final tally for U.S. products at the recent ANUGA food fair in Cologne, Germany.

It was not, however, a time for complacency. U.S. exhibitors, much impressed with displays and products of other countries, agreed that more aggressive sales efforts are called for to keep our products on top in the world market.

Sponsored by the U.S. Department of Agriculture in cooperation with the food industry, the U.S. exhibit took visitors to the September 30-October 8 ANUGA on a "gourmet stroll through the USA." Featured during this stroll were U.S. soybean oil, poultry, raisins, navy beans, and seafoods; fresh fruits and vegetables shipped over by a commercial airline; and products of 12 States and over 100 food firms.

While the commodity and State exhibits played to nearly a quarter of a million tradespeople and consumers, the food manufacturing firms courted an exclusive audience of foreign businessmen in a special trade area. It is estimated that up to 5,000 tradespeople entered this area during the show —twice as many as at the 1965 ANUGA, according to Oscar C. Roesemeier, U.S. food industry representative for the exhibit.

Incomplete totals for the U.S. exhibit thus far show over $250,000 in definite sales consummated during the fair and $3.6 million in expected followup sales. ANUGA as a whole—the world's largest exposition of food products—pulled in 251,850 visitors from 74 countries—or 9 percent more than at the ANUGA 2 years ago. The number of visitors from outside Germany, at 16,690, was up 23 percent from the previous fair, and number of exhibitors totaled 1,772 from 59 different countries.

U.S. exhibitors' reactions to the results were positive.

"Tremendous thing this fair," said one new participant in the U.S. exhibit. "I'm grateful for the chance to be here."

A veteran exhibitor commented, "I've never seen so many buyers—they've been shaken to life by the growing competition from discount houses and are really out to do business."

Among the biggest hits were several products new to the market.

H. Dale Walker of Relworp Corporation reported sales of over $100,000 in shrimp and Alaska king crab. His products—which premiered at ANUGA—are packed under a new pasteurization process that allows refrigerator storage for 4-5 months.

Chilled Florida orange juice that can be kept for 6 months and more under normal refrigeration got a similar response from consumers ever mindful of their lack of freezer space. One German importer who began handling the product just 3 months ago feels that 60-100 million bottles of chilled orange juice can be sold in Germany yearly.

New soya products from Illinois—soya milk plus a vegetable protein that can be made to look and taste like practically any kind of meat—attracted considerable interest, as did frozen stuffed baked potatoes from Maine, dried cherries from Michigan, and okra from Mississippi.

Among the traditional items, poultry enjoyed its usual popularity, with special interest shown in the small—2-pound—turkey rolls and the separately frozen chicken and turkey parts. Michigan navy beans gained more customers, with some 60,000 people sampling the product during the fair, and muzemandelns—similar to doughnut holes—pulled thousands of consumers to the soybean oil booth.

Interest in California raisins continued to expand as people sampled toasted raisin bread made with the product. Consumers in Europe—who traditionally have preferred bleached raisins—are becoming more aware of the nutritional advantages of naturally dried raisins, according to Heinz Falkenstein of the California Raisin Advisory Board.

A case study in market development

How One Overseas Chain Promotes American Farm Products

Imagine a supermarket that devotes as much space to cheese as many retail grocers do to their entire line—a company with a $161-million business and customers who buy their products by the carload.

This, in brief, is the operation of RATIO Grossmärkte — a German wholesale outlet which earlier this month completed its first promotion of U.S. food products and the first of several being held in Europe this fall in cooperation with FAS.

Huge food outlet

Run by the firm Terfloth and Snock GmbH, RATIO specializes in bigness —a bigness that hopefully will carry over into sales of U.S. food products.

The operation consists of three wholesale and retail supermarket centers in the cities of Bochum, Münster, and Hannover. Together these three outlets comprise the world's largest cash-and-carry wholesale operation. Their customers — numbering about 70,000—consist of retail grocers, specialty shop owners, and institutions. And their customers — the ultimate consumers—run into the millions.

As would be expected, buyers have access to a fantastic selection at RATIO. The company's line consists of about 16,000 different products when nonfood items are included, compared with the 2,000 or so found in typical German supermarkets.

In the food department, which makes up about 57 percent of the company's business, virtually anything can be purchased, from pickled cocks' combs, to sauerkraut juice, to the better known food items.

Getting around in such an operation presents a logistical problem in itself. At the company's Bochum store there are 13 different departments—each about the size of a retail supermarket —covering an area of 10 acres. Buyers coming into the supermarket wheel carts around that are several times the size of the standard supermarket basket, and single purchases often run into the thousands of dollars.

How USA Weeks work

This, then, was the setting for the first promotion of U.S. foods in RATIO supermarkets. Carried out with advertising and administrative help from FAS, the promotion involved a twofold program. Not only did RATIO promote U.S. food products, but it also got about 3,000 of its retailer customers to carry on similar campaigns.

The promotion (Sept. 25-Oct. 6) went something like this:

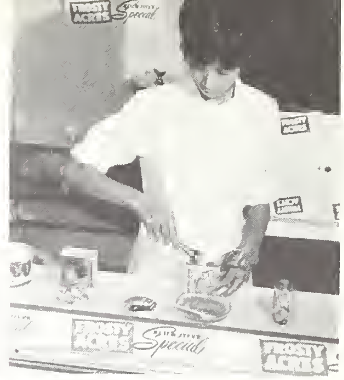
After months of planning with the office of the U.S. Agricultural Attaché and representatives of U.S. trade groups, RATIO launched its USA Weeks with a gala reception. There, German and U.S. Government officials, trade representatives, and members of the press were treated to an elaborate buffet featuring dishes made of American products.

On hand for the opening were the Arkansas Poultry Queen and Princess —cooking and beauty contest winners, respectively—who had been brought overseas by the Institute of American Poultry Industries. In subsequent days of the promotion, the Poultry Queen prepared mouth-watering dishes from U.S. poultry products.

RATIO customers going to the supermarkets during the 2-week promotion were first given brochures spelling

Above, RATIO chef serves up U.S. chicken garnished with seasoned salt and California cling peaches. Below, visitors to promotions' opening enjoy huge buffet, which included many foods imported from the United States.

Giant map of the United States and an astronaut's space suit (below) greeted shoppers during RATIO's recent USA Weeks.



Right, Japanese customers sample pastries. Far right, counter girl at the frozen food show sets out sliced peaches which have been thawed for sampling.

Frozen Food Show a Hit With Japanese Press and Trade

The United States frozen food industry moved into the promotion spotlight in Japan earlier this month at the 10-day Frozen Food Exhibit and Seminar aimed at Japan's press and tradespeople. By closing day at the U.S. Trade Center in Tokyo—site of the exhibit—some 8,000 Japanese businessmen, educators, and women's group leaders had sampled, questioned, and probed the merits of more than 350 varieties of frozen foods sent to the show by 25 U.S. companies.

Good items were green asparagus, doughnuts, French fries, broccoli, orange juice, cream of potato soup, apple turnovers, beef and tuna pies, cream cheese cake, and baked chicken.

Besides the usual booths and trade lounges, the FAS-sponsored frozen food show featured daily seminars in Tokyo, Osaka, and Sapporo on the production, distribution, marketing, and preparation of frozen foods. The three U.S. businessmen, technical expert, and a home economist who were speakers, led lively question-and-answer periods after each seminar.

The Japanese were specifically interested in production costs and distribution systems in the United States. They also questioned the ability of multi-decked cases to keep products at the desired temperature and were surprised to learn there is no break in the temperature chain from the fields to the customer. Several Japanese businessmen suggested that the exhibit and seminars should be followed as soon as possible with a mission of technical experts on freezing equipment, transportation, and storage.

Exhibitors called the response to the show "fantastic," "unparalleled," and "completely unexpected." Stories about the show were carried on three national television news broadcasts, on several radio stations, and in four English language newspapers as well as the Japanese press. Separate press conferences were also held in the cities of Osaka and Sapporo. It is estimated that because of the heavy media coverage about one-third of Japan's population of 300 million was exposed to the frozen food show in one way or another within the first few days.

Japanese and American businessmen concur that despite the success of the show it will take time to develop an overall retail market for U.S. frozen foods in Japan. Right now 80 percent of the frozen food bought by Japan is used institutionally, and it is here that the exhibit's impact is likely to be felt soonest.

Mrs. Yoshika Suganuma—a women's group leader—promotes U.S. frozen foods at a seminar during the show.

Two of the problems in successfully marketing frozen foods in Japan is a lack of freezer space in most Japanese homes and the relatively high prices of frozen products. Also, a strong consumer education program will be needed to teach Japanese housewives how to thaw and prepare frozen foods.

The market has considerable potential though, since incomes in Japan are rising, diet quality is improving, modern food distribution methods are beginning to take hold, and more refrigerated transportation facilities are becoming available.

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out the many specials on U.S. food items. Moving into the food departments of the supermarket, they were enticed with signs bearing the theme of the promotion "USA is our guest" over special commodity displays.

And further along, in the exhibition hall, was a giant map of the USA with a key giving the major products of the different States. Grouped around this central exhibit were displays of air and ocean transport facilities and the major commodities being promoted. These included about 80 different food items, over 30 of them never before stocked by RATIO Grossmärkte.

Among the items were canned pineapple, fruit cocktail, peaches, apricots, pears, grapes, and boysenberries: canned, frozen, and chilled orange juice; canned corn, tomatoes, and asparagus; honey; lentils; crab meat; shrimp; canned and frozen chicken, chicken parts, turkey, and turkey parts; and turkey rolls.

In addition about 120 of the 3,000 or so retail stores that participated in the campaign had special demonstrations on how peaches, poultry meat, and seasoned salt could be used together to create enticing dishes. Sponsors of these demonstrations were the Institute of American Poultry Industries, the California Cling Peach Advisory Board, and Lawry's Company.

Results from all this? It will be several months before the full effect is known, but so far reports are good. The firm, which prior to the promotion had been disturbed by a drop in sales of U.S. food products, bought $400,000 worth of U.S. products for the 2-week campaign alone. This is not far below the $550,000 purchased during all of 1966.

Portuguese and Spanish Livestock Teams in U.S.

A five-man team of Portuguese dairymen has completed a 3-week tour in the United States talking with dairy scientists and looking at breeding cattle. The three men travelled through New England, New York, Arizona, the Midwest, California, and Virginia.

Their trip was partly sponsored by FAS and the Holstein-Freisian Association as part of a continuing program to promote the sale of livestock to Portugal. This summer's Santarem Fair stirred considerable interest in U.S. stock among Portuguese dairy farmers (*Foreign Agriculture,* Aug. 7, 1967).

A three-man Spanish livestock team has also just spent some time in the United States; members represent a farmers' cooperative and Spain's livestock syndicate.

The Spaniards, who in the past have expressed a desire for U.S. breeding cattle, were given an opportunity to visit ranches and meet U.S. breeders of beef cattle. Spain has a P.L. 480 loan for $35 million in feedgrains. Part of the money generated from the sale of feedgrains to farmers will be used for livestock purchases.

The team went to the Pan American Livestock Exposition in Dallas and ranches in Texas, Oklahoma, Kansas, Nebraska, Missouri, and Colorado.

Cooperating with FAS in planning for the team was the Pan American Livestock Exposition, Santa Gertrudis Breeders International, American Polled Hereford Association, American Hereford Association, and the American Angus Association.

Japanese Soybean Team Here

Six executives from prominent soybean crushing companies in Japan toured soybean producing and processing areas in late September and early October in the United States—their country's No. 1 source of soybeans.

The team went to Minneapolis and Chicago, saw grain elevators and feed and crushing plants, visited soybean growing areas in the Midwest and South, and talked with U.S. Government officials in Washington.

The visiting Japanese executives asked about the production of quality, high-yielding varieties of soybeans and the utilization of soybean protein for new foods.

The Foreign Agricultural Service and the American Soybean Association helped sponsor the trip.

Follow-up Rice Promotion Gets Started in Ireland

An excellent showing for U.S. rice at the Irish International Food and Drink Fair in Dublin prompted a hard-facts talk at the Fair between importers and U.S. suppliers on follow-up tactics to assure a good market for U.S. rice in Ireland.

Taking part in the discussions in the Fair's trade lounge were six Irish importers and distributors — each of which had stands in the U.S. exhibit—two representatives of U.S. Rice Council, and U.S. Agricultural Attaché to Ireland Richard E. Bell.

Cleanliness and quality are important to the popularity of U.S. rice, according to the Irish exhibitors, but knowing different ways of preparing U.S. rice could make the big difference in sales to housewives.

Irish participation

To acquaint homeowners with ways of using U.S. rice, Ireland's Education Department has invited Rice Council representatives to speak to cooking teachers in 5 areas of Ireland. The Department expects that about 400 teachers will attend each talk.

In addition, a Rice Council representative met with a group of salesmen in training to be retail distributors of rice. Similar discussions on how to sell American rice are being arranged at three Irish catering colleges, which train businessmen for the entire food industry in Ireland.

U.S. Foods at Yorkshire Food Festival in Leeds

American food manufacturers have wound up their first showing at the annual Yorkshire Food Festival in Leeds, England, most of them hailing it a huge success. Raisin bread and rice were the most popular items, but Alaskan king crabs, shrimps, frozen poultry products, dips, and food flavorings also drew crowds and a number of trade inquiries.

Fifteen commercial importers of American foods had booths in the U.S. exhibit area. Several indicated that daily sales of U.S. products over the counters exceeded those on their best day at Edinburgh in April (See *Foreign Agriculture,* May 15)—an excellent fair for on-the-spot sales.

Raisin bread, which was introduced for the first time in the heavily populated, industrial Leeds area, was so enthusiastically received by consumers that daily supplies generally were sold out before closing. One day this added up to 1,000 loaves. The National Peanut Council offered for sale a new kind of peanut-raisin mix. By the next to the last day of the show a total of 2,000 packs had been sold.

Tied in with the Food Festival was a campaign in 11 Leeds stores for U.S. foods. Several importers placed American food products in these stores for the first time, and at least one had repeated his order before the Yorkshire Festival closed.

1968 Miss Sunkist To Promote Citrus Products

Cristi Lynn Bishop, of Buena Park, California, has been chosen Miss Sunkist—1968.

Selected from a group of over 200 young ladies from all sections of California and Arizona, Miss Bishop will travel through the United States, Canada, and overseas next year, telling the qualities of fresh California and Arizona citrus fruit—oranges, lemons, grapefruit, and tangerines—and the various products made from these fruits that are marketed by Sunkist Growers, Incorporated.

Sunkist represents nearly 75 percent of the citrus industry of California and Arizona.

Another Good Showing at Cremona For U.S. Holsteins

The 22nd International Dairyshow at Cremona, Italy, last month was a successful showcase once more for U.S. registered Holsteins. This is the third year American dairy cattle have been shown in Cremona.

Dairyshow President Giuseppe Maffei claimed the 41 American Holsteins on exhibit were the best cattle he had seen offered to the Italian dairy farmer. By the close of the 5-day show all the animals had been sold at attractive prices.

The cattle, which were selected from farms all over the United States, were brought by the Holstein-Friesian Association to Milan from New York. The Association is a cooperator with FAS in market development for U.S. dairy cattle in Italy and a three-time participant at Cremona.

Visitors to the U.S. exhibit were given decorative USA—Holstein-Friesian stickers and brochures printed in Italian describing the qualities and characteristics of American Holstein dairy cattle.

Last year Italian dairymen bought more U.S. Holsteins than any other national group except Mexico.

Left, the Holstein-Friesian Association luncheon gave U.S. dairy cattle breeders a chance to talk business with prospective Italian buyers. Below, interested buyers take a look at some of the 41 registered U.S. Holsteins that were in the U.S. exhibit at the Cremona show.

California Rose Clover Seed Airshipped to Spain

The bags of seed in the foreground were loaded into a waiting jet and shipped last month from San Francisco to Spain. The shipment involved 13,200 pounds of rose clover seed, one of the largest volumes of seed ever moved by air. This particular species reseeds itself each year once it is established and will be used by Spanish livestockmen in an ongoing government program to improve forage.

U.S. Sends Trade Missions

Five U.S. sales teams—representing government, the trade, and producers—this fall will explore possibilities of expanding markets for U.S. feedgrains, wheat, soybeans, and soybean oil in Europe, the Middle East, and Latin America.

The first of the trade missions left the United States October 14 to look into export market possibilities for feedgrains in the United Kingdom, the Netherlands, France, Belgium, Italy, and West Germany. A second team left last week to explore markets for U.S. soybeans in the United Kingdom, the Netherlands, France, Spain, and West Germany.

In November a soybean oil team will go to Mediterranean and Middle East countries, and two wheat teams will travel to markets in Europe and Latin America.

Team members for each commodity will acquaint themselves with their foreign customers, and find out more about their buyers' specific needs with respect to quality and service, as well as try to build export sales.

France Increases Production of Hard Wheat

According to the French Grain Growers Association, France produced nearly a half million metric tons of hard wheat this year, compared with 200,000 in 1966. The increase is almost entirely due to the rapid increase of the new spring sown variety, Rex, which has significantly better bread baking and agronomic qualities than older French hard wheat varieties.

It is expected that millers in France will be encouraged to substitute this new French hard wheat for a portion of the U.S. high protein Hard Red Spring wheat and Canadian Manitoba wheat which they now use. These wheats are mixed with domestic soft winter wheat for producing good quality flour for bread making.

The Association expects that as much as 450,000 tons of hard wheat will be marketed by farmers this year. This season's crop was well matured and is reported to be of generally good quality. The trade hopes to make substantial export sales to West Germany and Italy.

The French durum wheat crop in 1967 is estimated at 185,000 tons, up from 120,000 last year. The total French wheat crop is estimated at 14.1 million tons, as compared with 11.3 million in 1966.

Greek Cotton Production and Trade Rise

Preliminary estimates of the 1967-68 cotton crop in Greece place production at around 430,000 bales (480 lb. net), compared with 404,000 in the previous year. A new cotton variety, 4S, which was developed by the Cotton Institute of Sindos from U.S. stock, was used this season for 70 percent of the acreage planted. The 4S variety replaced Coker 100 W, which accounted for only 20 percent of the cotton acreage planted in 1967-68, compared with 73 percent 2 years earlier. The 4S variety reportedly matures earlier and is higher yielding than Coker.

Mechanical cotton pickers are gaining in popularity. In 1966-67, 56 machines were used in harvest. Six additional harvesters have been ordered and three had arrived in time for use in the 1967-68 harvest.

Current cotton area is about equal to the 347,000 acres of a year earlier but is 119,000 below the 1960-64 average. More extensive use of irrigation has contributed to increased yields. In 1960-61, less than two-thirds of the cotton acreage was irrigated, whereas nearly 90 percent is irrigated in the current season.

The Greek Government increased the subsidy paid for unginned cotton to 1.60 drachmas a kilogram from 1.50 paid on the 1966-67 crop (2.40 cents per lb., compared with 2.25 in 1966-67). Furthermore, the government has instituted a subsidy of up to 35 percent for purchase of agricultural machines, water pumps and relevant machines, and sprinkle irrigation equipment.

Consumption of cotton in Greece amounted to around 210,000 bales in 1966-67, compared with 200,000 in the preceding year. Another modest gain is expected this season. The use of cotton by Greek mills during the years from 1963-64 to 1966-67 (August to July) increased nearly one-third, while the use of rayon remained relatively constant during that period.

Cotton exports in 1966-67 totaled about 220,000 bales, an increase of 28,000 from a year earlier. Nearly 60 percent of the 1966-67 cotton shipments were to Soviet-oriented countries, while an additional 27 percent were shipped to Yugoslavia.

Greece imported 51,000 bales of cotton in 1966-67, an increase of 7,000 from a year earlier. Turkey and Egypt each supplied about 22,000 bales. Other countries that exported cotton to Greece during 1966-67 included Brazil, Mexico, Spain, Syria, and the United States.

Mexico Cotton Crop Off

The 1967-68 Mexican cotton crop is estimated at 2.2 million bales (480 lb. net), 50,000 bales below the 1966-67 production and about equal to the 1960-64 average. Production is somewhat lower than had been previously anticipated, mainly because of a shortfall in the Tampico area. Early in the cotton season, production in Tampico-Altamira was estimated at about double present production. However, early season dry weather delayed germination and reduced production potential substantially. Moreover, recent reports indicate severe flooding, which undoubtedly will further reduce the crop in that area.

Total area in cotton is down by about 37,000 acres from 1,732,000 in 1966-67 and is 348,000 acres lower than the 1960-64 average. Yield per acre averages 624 pounds, the same as in 1966-67 but one-fifth higher than the 1960-64 average. Shifts in acreage from the less productive areas, especially Matamoros, contributed to the higher average yields, as did adoption of improved cultural practices over the years.

Exports in the first 11 months of the 1966-67 season (August-June) totaled 1,350,000 bales, down more than 34 percent from the corresponding period in 1965-66. Major destinations in 1966-67 (comparable 1965-66 figures in parentheses) were as follows, in thousands of bales: Japan 583 (796); the United States 217 (592), mostly for transshipment; Italy 173 (169); France 90 (121); Chile 79 (27); and the Philippines 22 (52).

Consumption is estimated at 670,000 in 1966-67, compared with 625,000 in the preceding year. A similar increase is likely in the current season. Domestic demand for textiles continues to expand, and export markets are being developed.

Canada's Utilization of Edible Oils and Fats

Canada's use of edible oils and fats in the manufacture of margarine, salad oil, and shortening during January-June 1967 reached 269.5 million pounds—an increase of 5½ percent over the 255.4 utilized in the same period last year. The use of vegetable oils increased 10.4 million pounds, and marine and animal oils, 3.7 million.

Utilization of rapeseed and peanut oils showed marked gains of 9.2 million and 8.8 million pounds, respectively, more than offsetting the decline in cottonseed and soybean oils. The steady increase in the use of rapeseed oil,

partially at the expense of soybean oil, is due most likely to processors becoming more familiar with the qualities of rapeseed oil. In addition, rapeseed and rapeseed oil were selling at prices below the corresponding soybean and soybean oil prices during this period.

More sunflower oil was used in salad oil production and more peanut and coconut oils in shortening in place of cottonseed oil, which is still in short supply.

OILS AND FATS USED BY CANADIAN MARGARINE AND SHORTENING INDUSTRIES, JANUARY-JUNE

Oil or fat [1]	Margarine and salad oil		Shortening		Total	
	1966	1967	1966	1967	1966	1967
	Mil.	*Mil.*	*Mil.*	*Mil.*	*Mil.*	*Mil.*
Vegetable oils:	*lb.*	*lb.*	*lb.*	*lb.*	*lb.*	*lb.*
Coconut	2.2	0.4	10.3	12.2	12.5	12.6
Cottonseed	15.0	2.9	5.5	2.0	20.5	4.9
Palm	3.6	4.0	6.6	6.8	10.2	10.8
Palm kernel	—	—	4.2	4.7	4.2	4.7
Peanut	(2)	3.7	(2)	10.2	5.1	13.9
Rapeseed	27.5	34.0	16.5	19.2	44.0	53.2
Soybean	47.8	43.9	33.0	34.7	80.8	78.6
Sunflowerseed	3.7	14.1	(2)	[3] 2.4	(2)	16.5
Other	(2)	(2)	(2)	(2)	14.4	13.6
Total	118.3	116.8	80.2	92.1	198.5	208.9
Marine oils	(2)	15.4	(2)	8.3	22.9	23.7
Animal oils	(2)	1.4	(2)	35.5	34.0	36.9
Grand total	136.2	133.6	119.2	135.9	255.4	269.5

[1] Refined basis. [2] Not reported. [3] Residual.
Dominion Bureau of Statistics.

Brazil Fixes Castor Export Prices

The Government of Brazil has established minimum export prices for castor oil for industrial use, by type of oil, as follows: Type 1, 15.50 cents per pound; Types 2 and 3, 15.25 cents per pound.

The announcement was made through CACEX (Foreign Trade Department of the Bank of Brazil) on September 28 and was in force from the date of publication.

Japan Takes Less Soybeans and Meals

Japan's imports of soybeans during January-August 1967 totaled 1,376,356 metric tons (50.6 mil. bu.), 6 percent less than the 1,468,289 imported in the same period last year. Virtually all of the decrease was in soybean imports from the United States, which were down 8 percent to 1,104,127 tons (40.6 mil. bu.), compared with 1,202,405 (44.2 mil. bu.) a year ago.

Imports of soybean cake and meal, virtually all from

JAPAN'S IMPORTS OF SOYBEANS, SOYBEAN MEAL, AND SAFFLOWERSEED

Commodity and major source	1965	1966	Jan.-Aug. 1966	Jan.-Aug. 1967
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Soybeans:				
United States	1,464.9	1,722.1	1,202.4	1,104.1
Total	1,847.5	2,168.5	1,468.3	1,376.4
Soybean cake and meal:				
United States	41.7	7.0	6.6	2.3
Total	46.3	7.4	7.1	2.3
Safflowerseed:				
United States	112.7	108.6	43.7	69.6
Total	113.4	147.2	44.3	83.7

Japanese Customs Bureau, Ministry of Finance.

the United States, dwindled to 2,187 tons. Last year's imports amounted to 7,071 tons in total and 6,627 from the United States.

Safflowerseed imports increased to 83,670 tons—up 89 percent from the 44,326 of a year ago. Purchases from the United States reached 69,624 tons, compared with 43,721 last year.

French Walnut Crop Down

The 1967 French walnut crop is estimated at 31,000 tons in-shell basis, 5 percent below the 1966 crop of 32,500, but 15 percent above the 5-year 1961-65 average.

Spring frosts and extensive summer drought held down both crop size and the average size of the nuts. Cornes are reportedly running 26-27 millimeters and Marbots 27-29 millimeters.

Preliminary data indicates 1966-67 season exports totaled 16,500 tons, twice the 1965-66 level of 8,200 and 13 percent above average. West Germany was the principal export market for both in-shell and shelled walnuts during the 1966-67 season. Exports during the 1967-68 season are expected to be slightly above average but below the 1966-67 level.

FRANCE'S COMMERCIAL WALNUT SUPPLY AND DISTRIBUTION
[In-shell basis]

Item	Average 1961-65	1965-66	Preliminary 1966-67	Forecast 1967-68
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Oct. 1)	—	—	—	—
Production	27.0	18.0	32.5	31.0
Imports	1.0	4.1	—	—
Total supply	28.0	22.1	32.5	31.0
Exports	14.6	8.2	16.5	15.0
Domestic disappearance	13.4	13.9	16.0	16.0
Ending stocks (Sept. 30)	—	—	—	—
Total distribution	28.0	22.1	32.5	31.0

Four Nations Place Sugar Plant Orders

Firms in the Philippines, Taiwan, West Pakistan, and Okinawa have placed orders with Japan's Mitsubishi Heavy Industries, Ltd., for sugar producing and refining plants. The Philippine order calls for the construction of a sugar plant which can produce 4,000 tons daily of raw sugar and 200 tons of refined. The other orders concern the expansion and improvement of sugar producing facilities. Completion of the construction or expansion work is scheduled for February 1969.

Mexican Honey Production Up

Mexico's honey production for 1967 is estimated at 77.2 million pounds, compared with a 75-million-pound crop in 1966. Domestic consumption for 1967 is expected to be up a million pounds from the 14.3 million consumed in 1966. This year's output would have been higher had heavy rains ended by mid-September. Total colonies are estimated at 1,650,000, consisting of 800,000 of the modern type and 850,000 of the old type.

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West German Cigarette Sales

For the first 6 months of calendar 1967, sales of cigarettes in West Germany (including West Berlin) totaled 48.6 billion pieces—down 1.6 percent from the 49.4 billion sold in the period January-June 1966. Sales of cigars dropped to 1,774 million pieces from 1,788 million for January-June 1966.

Denmark's Tobacco Imports Up Sharply

Denmark imported a total of 22 million pounds of leaf tobacco in the first half of 1967, compared with only 14.1 million in January-June 1966. Much larger purchases of leaf from the United States and Brazil accounted for the gain. Reported imports from Mozambique totaled 1.4 million pounds this year against none in 1966. In January-June 1967, there were no reported imports from Rhodesia, which supplied 2.1 million pounds during January-June 1966.

DENMARK'S TOBACCO IMPORTS

Origin	January-June 1966	January-June 1967
	1,000 pounds	*1,000 pounds*
United States	5,882	10,117
Brazil	3,333	7,041
Mozambique	0	1,407
Indonesia	1,019	1,016
Canada	366	489
Greece	88	432
Malawi	143	355
Turkey	388	282
Dominican Republic	256	194
Thailand	73	9
Rhodesia	2,070	0
Others	474	620
Total	14,092	21,962

Canadian Cigarette Output Increases

Cigarette output in Canada continued upward in the first half of 1967. Production totaled 23,731 million pieces, compared with 22,859 million in January-June 1966, for a gain of 3.8 percent.

Leaf use by manufacturers during the first 6 months of 1967 totaled 74.2 million pounds, compared with 71.2 million for the same period last year. Use of flue-cured amounted to 67.2 million pounds—up 4.7 percent from the January-June 1966 level of 64.2 million.

Stocks of unmanufactured tobacco on June 30, 1967, totaled 206.8 million pounds, compared with 189.0 million on June 30, 1966. Flue-cured stocks on June 30, 1967, were some 185 million pounds—about 17 million more than a year earlier. These stocks were equal to about 16½ months' supply, based on manufacturers' current usage.

WORLD CROPS AND MARKETS INDEX